

FORMAL COMPLAINT

ARIZONA CORPORATION COMMISSION
FORMAL COMPLAINT FORM

ORIGINAL



0000109275

COMPLAINANT JAMES S BACUS JR	COMPLAINT NUMBER 2009'81257	PHONE (HOME) 928-486-4775
ADDRESS 3755 SUNNYROBE CR. LAKE HAVASU CITY AZ	NAME OF RESPONSIBLE PARTY JAMES S BACUS JR	PHONE (WORK) SAME
NAME OF UTILITY TRUXTON CANYON WATER CO, INC.	ACCOUNT NUMBER W-02168A-10-0111	

GROUND(S) FOR COMPLAINT: (COMPLETE STATEMENT OF THE GROUNDS FOR COMPLAINT. INDICATING DATE(S) OF COMMISSION/OMISSION OR ACTS OR THINGS COMPLAINED OF.) (USE ADDITIONAL PAGE IF NECESSARY.)

ON APRIL 20TH 2007 I, JAMES S BACUS JR (COMPLAINANT) ENTERED INTO A LINE EXTENSION AGREEMENT (MXA) WITH TRUXTON CANYON WATER CO, INC. THIS MXA WAS TO PROVIDE WATER SERVICE TO LOTS 27, 28 AND 34 IN VALLE VISTA, UNIT ONE, TRACT 1192, MOHAVE COUNTY, AZ. THIS EXTENSION WAS FOR THE PURPOSE OF BUILDING MY PERSONAL RESIDENCE. I GAVE A REQUIRED ADVANCE OF \$24,816.⁰⁰ TO TRUXTON CANYON WATER ON MAY 3RD 2007 IN THE FORM OF A CHASE BANK CHECK. IN THE MXA DATED APRIL 20TH 2007 SECTION IV PARAGRAPH A IT STATES TRUXTON CANYON WATER WILL START THE WORK ON JUNE 20TH 2007 AND COMPLETE THE WORK NO LATER THAN AUGUST 20TH 2007. AFTER AUGUST 20TH 2007

NATURE OF RELIEF SOUGHT: (USE ADDITIONAL PAGE IF NECESSARY.)

I AM REQUESTING A FULL REFUND OF THE \$24,816.⁰⁰ ADVANCE. AS THE MXA WAS NEVER APPROVED AND IS VOID I AM ASKING FOR INTEREST ON THE ADVANCE FROM APRIL 20TH 2007 THRU THE PRESENT AT THE MAXIMUM RATE ALLOWED. I ALSO FEEL ADDITIONAL PENALTIES SHOULD BE AWARDED DUE TO TRUXTON CANYON WATER'S ABOVE THE LAW ATTITUDE AND TOTAL LACK OF RESPONSIVENESS TO THE A.C.C. AND COMPLAINANT.

SIGNATURE OF COMPLAINANT OR ATTORNEY
Arizona Corporation Commission

DOCKETED

MAR 26 2010

03-24-2010

JAMES S. BACUS JR

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2010 MAR 26 A 10:18

RECEIVED

DOCKETED BY

nr

ARIZONA CORPORATION COMMISSION
FORMAL COMPLAINT FORM

GROUNDS FOR COMPLAINT: (CONTINUED)

NUMEROUS CALLS WERE MADE TO TRUXTON CANYON WATER WITH NO RESPONSE. IN MAY OF 2008 I RAN INTO MIKE NEAL OF TRUXTON CANYON WATER AT THE VALLE VISTA RESTAURANT. I INQUIRED ABOUT MY ADVANCE AND HE STATED HE DO NOT HAVE THE MONEY TO PAY ME. I ADVISED I NO LONGER WANTED TO BUILD A RESIDENCE AT THAT LOCATION DUE TO MARKET CHANGES. HE SUGGESTED WE TRANSFER THE ADVANCE TO ANOTHER PROJECT. I DECLINED. ON AUGUST 10TH 2008 WITH STILL NO RETURN OF THE ADVANCE AND NO RESPONSE TO CONTINUED CALLS A REGISTERED LETTER WAS SENT TO TRUXTON CANYON WATER AT 2409 RILLA DR KINGMAN, AZ. WHERE IT WAS ACCEPTED AND SIGNED FOR BY LAURA THODE ON AUGUST 12TH 2008. THE LETTER REQUESTED A FULL RETURN OF THE ADVANCE AND CONFIRMED I HAD NO FURTHER DEVELOPMENT PLANS DUE TO MARKET CONDITIONS. I CONTINUED TO CALL TRUXTON CANYON WITH NO RESPONSE. I RESEARCHED ACTION THRU THE A.C.C. AND ON AUGUST 13TH 2009 I FILED A COMPLAINT WITH THE A.C.C.. THE A.C.C. MADE NUMEROUS ATTEMPTS TO CONTACT TRUXTON CANYON WATER BY PHONE AND SENT TWO LETTERS ONE DATED OCTOBER 7TH 2009 AND ONE FEBRUARY 8TH 2010 WITH NO RESPONSE.

TRUXTON CANYON WATER FAILED TO COMPLETE THE WORK OR PROVIDE SERVICE ACCORDING TO THE MXA. NO RETURN OF THE \$24,816.⁰⁰ ADVANCE HAS BEEN GIVEN. TRUXTON CANYON WATER IS TOTALLY NONRESPONSIVE TO THE COMPLAINT AND THE A.C.C.. SEE PAGE 3

ARIZONA CORPORATION COMMISSION
FORMAL COMPLAINT FORM

GROUNDS FOR COMPLAINT: (CONTINUED)

PER A.A.C. R14-2-406(B-3)

A COPY OF THE COMMISSION'S RULES ON MXA'S WAS TO BE PROVIDED, IT WAS NOT. PER A.A.C. R14-2-406 (M) ALL AGREEMENTS UNDER THIS RULE SHALL BE FILED WITH AND APPROVED UNLESS ACCOMPANIED BY A CERTIFICATE OF APPROVAL TO CONSTRUCT AS ISSUED BY THE ARIZONA DEPARTMENT OF HEALTH SERVICES. WHERE AGREEMENTS FOR MAIN EXTENSION ARE NOT FILED AND APPROVED BY THE UTILITIES DIVISION, THE REFUNDABLE ADVANCE SHALL BE IMMEDIATELY DE AND PAYABLE TO THE PERSON MAKING THE ADVANCE. THE MXA IN QUESTION WAS NEVER FILED WITH THE COMMISSION NOR APPROVED, MAKING THE ADVANCE DE AND PAYABLE, AND THE MXA VOID.

ARIZONA CORPORATION COMMISSION
FORMAL COMPLAINT FORM

SUPPORTING DOCUMENTATION:

A: LINE EXTENSION AGREEMENT DATED APRIL 20TH
2007 14 PAGES

B: COPY OF CHASE CHECK DATED 05/03/2007
IN THE AMOUNT OF \$24,816.⁰⁰

C: REGISTERED LETTER DATED 08/10/2008
WITH PROOF OF SERVICE 4 PAGES

D: A.C.C. COMPLAINT FORM DATED 08/13/09
1 PAGE

E: A.C.C. FOLLOW UP LETTERS DATED
OCTOBER 7TH 2009 AND FEBRUARY 8TH 2010
4 PAGES

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Lot 34

**LINE EXTENSION AGREEMENT
FOR
COMPANY INSTALLED FACILITIES**

BETWEEN

TRUXTON CANYON WATER CO., INC.

AND

JAMES BACUS

APRIL 20, 2007

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Lot
34

**LINE EXTENSION AGREEMENT
FOR COMPANY INSTALLED FACILITIES**

THIS LINE EXTENSION AGREEMENT, entered into this 20th day of April, 2007, by and between TRUXTON CANYON WATER CO., INC., hereinafter referred to as the "Company" and JAMES BACUS., hereinafter referred to as the "Developer," is for the construction of utility plant necessary to provide water utility service to Lot numbers 27, 28 and 34, in Valle Vista, Unit One, Tract 1192, Mohave County, Arizona. (Hereinafter called the "Development").

WITNESSETH:

WHEREAS, Company owns and operates a public service corporation and holds, or will apply for, a Certificate of Convenience and Necessity from the Arizona Corporation Commission (Commission) authorizing it to serve the public with water; and

WHEREAS, Developer is developing property within the certificated area of the Company, which Development is more fully described in Attachment 1, attached hereto and incorporated herein by this reference for all purposes ; and

WHEREAS, the Company does not presently own or operate a water distribution system able to serve the Development; and

WHEREAS, under such circumstances the Commission's Rules and Regulations permit the Company to require an Advance In Aid Of Construction to provide such facilities.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

**I. UTILITY PLANT ADDITIONS; COST; PAYMENT; COST ESTIMATE
CONDITIONS; COST REVISIONS AND DEVELOPER CANCELLATION**

A. Utility Plant Additions. The Company will construct, or cause to be constructed, the water utility plant described on Attachment 2, attached hereto and incorporated herein by this reference for all purposes.

B. Cost. The cost of construction of the subject plant as more fully detailed in Attachment 3, attached hereto and incorporated herein by reference for all purposes, is estimated to be \$24,816.00.

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C. Income Taxes. Presently applicable income taxes on property used exclusively by a single customer are set forth in Attachment 3. In the event it is determined by Congress, the Internal Revenue Service, the Arizona Legislature or the Arizona Department of Revenue that all or a portion of the cost estimates in Attachment 3 is taxable income to the Company as of the date of this Agreement, or upon receipt of said costs or facilities by the Company, the Developer will advance funds equal to the applicable income taxes for the Company's state and federal tax liability on all funds advanced pursuant to this Agreement. These funds shall be payable by the Developer to the Company immediately upon notification to the Developer of the determination by the appropriate agency having jurisdiction. At the time the refunds are made pursuant to Paragraph V.C, the Company shall also refund that portion of the income taxes associated with that refund that were advanced under this Paragraph V.B. The income tax advance refunds shall be based on the annual refund amount under Paragraph V.C, and computed at the same rate the advance was originally assessed.

D. Cost Estimate Conditions. The cost estimate in Attachment 3 is conditioned upon the following:

1. That the Developer add only those additional utility customers as specified in Attachment 1, and that only those facilities detailed in Attachment 2 are needed to serve the Development.
2. That prior to the commencement of construction, all permits, licenses and easements required under Paragraph III are obtained.
3. That all easements and rights-of-way provided shall be free of obstacles which may interfere with the construction of said facilities. If said subdivision, tract, development or project involves road construction, all roads and drainageways will be brought to grade prior to water facilities construction. No pavement or curbs shall be installed prior to completion of all water facilities. If any streets, roads, alleys, or drainageways are installed at a different grade, Developer shall bear all costs, on a non-refundable basis, which are incurred by the Company to relocate water facilities as a result of said facilities having insufficient cover.
4. That no design changes be made, caused or required by appropriate utility construction standards; the Developer or his agent; the Arizona Department of Environmental Quality; the Arizona Department of Health Services; the Arizona Corporation Commission; any county health department; or any other public agency under whose jurisdiction the subject construction may fall.
5. That construction will require conventional trenching only, and that no rocky or caliche conditions be encountered, which require extra equipment rental, hauling, blasting (including additional traffic control), supplies, labor (including overheads), or any other associated cost.

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6. That, at the time of actual construction, the Company is able to obtain acceptable bids for the materials, labor, and services to construct the facilities set forth in Attachment 2.
7. That the Developer complies with such additional terms and conditions as set forth in Attachment 4 hereto which is incorporated herein by reference for all purposes.

E. Cost Revisions and Developer Cancellation. In the event the conditions contained in Paragraph D, the footnotes to Attachment 2 and Attachment 3, or as set forth in Attachment 4 are not met, or in the event the construction requires zoning approvals or variances, or extraordinary licenses or permits, then, in any of those events, the Company reserves the right to revise the cost estimate contained in Attachment 3. An additional Advance will be required prior to the Company proceeding with the construction. If the Developer determines that such revised cost estimate is not acceptable, the Developer shall advise the Company of its cancellation of the request for service, in writing, within five (5) days of receipt of the revised estimate. Notice of cancellation shall relieve the Developer of any further Advance obligations; however, Advances made as of the date of notification shall become contributions by the Developer to the Company.

II. SERVICE; COMPANY LIABILITY LIMITATIONS; UNCONTROLLABLE FORCES; APPLICABLE RATES

A. Service. Notwithstanding any reference to fire protection facilities contained in Attachment 2 or Attachment 3 hereto, the subject plant additions are being installed primarily for the purpose of providing domestic water service to the Development. However, under certain operating conditions, those facilities may provide limited fire protection service to an appropriate fire protection agency contracting with the Company for such service.

B. Company Liability Limitations. It is understood between the Developer and the Company that the Company does not have, and the Developer will not install under this Agreement, facilities capable of providing fire flow to the Development. Therefore, it is expressly understood by the Company and the Developer that THE COMPANY DOES NOT GUARANTEE OR INSURE UNINTERRUPTED OR REGULAR FIRE PROTECTION SERVICE, NOR DOES THE COMPANY REPRESENT THE PRESENCE OF ADEQUATE PRESSURE, VOLUME, OR FIRE FLOW AVAILABLE ON THE SYSTEM BY OFFERING WATER SERVICE AS SPECIFIED HEREIN.

It is agreed that in the event service from the fire hydrants or an interior fire sprinkler system is used for non-fire protection purposes, or is interrupted or is irregular or defective or fails from causes beyond the Company's control or through negligence or alleged negligence of its employees, servants or agents, the Company shall not be liable for any injuries or damages arising therefrom. Further, the Company shall have neither the responsibility nor the liability for any use or disposition of fire hydrant or fire sprinkler water, even if such use or disposition is attributable, or is alleged to be attributable to the negligence of the Company's employees, agents or servants. The Developer, or any other person who succeeds to Developer's interest, REGARDLESS OF WHETHER SUCH PERSON HAS KNOWLEDGE OR NOTICE OF THESE TERMS, shall make no claim against the Company for any such loss or damage resulting from services provided under this Agreement or the

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applicable service tariff. The Company shall be entitled to recover its reasonable attorneys' fee should the Developer fail to comply with this provision.

In consideration for the Company providing this limited fire protection service with less than adequate storage and transmission facilities, the Developer agrees TO HOLD HARMLESS AND INDEMNIFY THE COMPANY from and against any and all liability, loss, damage or expense the Company may incur as a result of claims, demands, costs or judgments against the Company including, but not limited to injury or death of persons, arising, directly or indirectly, out of the Company's providing fire protection service, or any activities or operations related thereto, or any breach by the customer of the terms, covenants or conditions of this Agreement. This provision applies to and regardless of any negligence or alleged negligence on the part of the Company, its employees, servants or agents.

C. Uncontrollable Forces. Neither party shall be considered to be in default in the performance of any of its obligations hereunder (other than the obligation of Developer to pay Advances pursuant to Paragraph V) when a failure of performance shall be due to Uncontrollable Forces. The Party claiming failure of performance shall promptly contact the other Party and provide written notice that an Uncontrollable Force has caused failure of performance. The term "Uncontrollable Forces" shall mean any cause beyond the control of the Party unable to perform its obligation, including, but not limited to, acts of God, failure of or threat of immediate failure of facilities, explosions, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor disturbance, dispute or unrest of whatever nature, labor, material or fuel shortage, sabotage, restraint by court order or public authority and action or non-action by or inability to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it has been unable to overcome.

D. Applicable Rates. It is mutually understood and agreed that the charges for water services to said Development shall be at the applicable rates of the Company which are currently on file with the Arizona Corporation Commission. Those rates are subject to change from time to time upon application of the Company and as approved by the Commission.

III. PERMITS AND LICENSES; EASEMENTS; TITLE

A. Permits and Licenses. The Company agrees to obtain all licenses and permits from public authorities which may be required for the construction of facilities under this Agreement. The Company shall file applications for, or use its best efforts to obtain, the Certificate of Convenience and Necessity for the Development from the Commission and an appropriate franchise from the Mohave County Board of Supervisors.

B. Easements. Prior to the commencement of construction, the Developer shall obtain from the owners of the property upon which the subject facilities will be constructed, a perpetual easement for the construction, operation and maintenance of water lines, mains and appurtenant facilities, in the name of the Company, and in a form acceptable to the Company.

C. **Title.** All materials installed, facilities constructed and equipment provided in connection with construction of facilities under this Agreement and the completed facilities as installed shall become the sole property of the Company, and full legal and equitable title thereto shall be then vested in the Company, free and clear of any liens, without the requirement of any written document of transfer to the Company or acceptance by the Company. Developer agrees to execute or cause to be executed promptly such documents as counsel for the Company may request to evidence good and merchantable title to said facilities free and clear of all liens.

IV. COMMENCEMENT OF PERFORMANCE AND TIME OF COMPLETION; ADDITIONAL FACILITIES; CONNECTING NEW FACILITIES

A. **Commencement of Performance and Time of Completion.** It is estimated that the Company shall start the work to be performed under this Agreement on June 20, 2007 and complete the work to be performed under this Agreement not later than August 20, 2007. The estimated construction schedule is conditioned upon: the Developer making timely Advances pursuant to this Agreement; the Company receives from the Developer the necessary governmental permits and licenses and obtaining easements pursuant to Paragraph III; and the Company encountering no extraordinary construction conditions. It is mutually understood and agreed that these commencement and completion dates are estimates only and no liability shall arise from failure to complete the facilities in accordance with said estimated dates.

B. **Additional Facilities.** It is understood by the Developer that the Company may, at its option and in its sole discretion, build or install facilities larger than those described in Attachment 3. The additional cost of those facilities, over and above the cost set forth in Attachment 3, shall be borne by the Company or assigned to another development.

C. **Connecting New Facilities.** The Company specifically reserves the right to refuse connection, or sever connection, of the facilities constructed under this Agreement in the event the Developer does not advance any portion of the funds due and payable under this Agreement.

V. AMOUNT OF ADVANCE; REFUND; TRANSFER

A. **Amount of Advance.** Based on the estimated cost contained in Paragraph I.B, the Advance by the Developer shall be a total of \$24,816.00. Of the total Advance, \$-0- shall be a non-refundable contribution with the balance refundable pursuant to this Paragraph V. If the actual construction cost is revised pursuant to Paragraph I.D, the Advance shall be that adjusted amount.

B. **Payment.** The Advance payable pursuant to this Paragraph I shall be paid by the Developer to the Company in the form of certified bank check(s) upon execution of this Agreement. In the event there are cost revisions as contemplated in Paragraph I.E, Developer shall advance those funds prior to the Company proceeding with the construction.

C. **Computation of Refund.** Refunds of the Advance In Aid Of Construction shall be made by the Company on or before the 31st day of August of each year commencing with August of 2009, covering any refunds owing from water revenues received during the preceding July 1 to

June 30 period. Any additional charge made by the Company based on any sales, privilege tax, excise tax, or regulatory assessment, shall not be included in the computation. The annual refund shall equal ten percent (10%) of the total gross annual revenue from water sales to each bona fide customer in the Development for a period of ten (10) years from the date of this Agreement.

D. Unrefunded Balance. Any balance remaining at the end of the ten year period shall become non-refundable in which case the balance not refunded shall be entered as a Contribution In Aid Of Construction on the accounts of the Company.

E. Maximum Refund; Interest on Advance; Limitation on Revenues. The refund to the Developer under this Agreement shall in no event exceed the amount of the Advance, as adjusted. No interest shall be paid by the Company on any amounts advanced. The Company shall make no refunds from any revenue received from properties other than those located within the phase of the Development covered by this Agreement and contained within the area identified in Attachment 1 to this Agreement.

F. Transfer of Facilities. In the event of the sale, conveyance or transfer by the Company, pursuant to the approval of the Arizona Corporation Commission, of any portion of its water system, including the facilities serving the Development and installed pursuant to the terms of this Agreement, the Company's obligation under Paragraph V.C. Hereto shall cease (except as to any payment which is then due) condition upon the transferee assuming, and agreeing to pay the Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Paragraph V.C. of this Agreement.

G. Company's Right of First Refusal. Before selling or transferring the obligation of the Company under this Agreement, Developer shall first give the Company, or its assigns, reasonable opportunity to purchase the same at the same price and upon the same terms and conditions as contained in any bona fide offer which Developer has received from any third person or persons which he may desire to accept.

VI. MISCELLANEOUS

Before this Agreement shall become effective and binding upon either the Company or the Developer, it must be approved by the Arizona Corporation Commission or its authorized representative. In the event that it is not so approved this Agreement shall be null and void and of no force or effect whatsoever. This Agreement may not be modified or amended except by a writing signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof. The remedies provided in this Agreement in favor of the Company shall not be deemed its exclusive remedies but shall be in addition to all other remedies available at law or in equity. No waiver by the Company of any breach by Developer of any provision of this Agreement nor any failure by the Company to insist on strict performance by Developer of any provision of this Agreement shall in any way be

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construed to be a waiver of any future or subsequent breach by Developer or bar the right of the Company to insist on strict performance by Developer of the provisions of this Agreement in the future. Developer is an independent contractor and not an agent or employee of the Company. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the parties hereto and their respective successors and assigns.

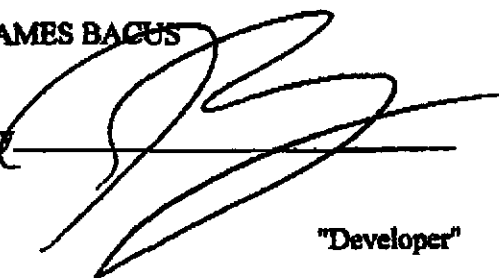
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

TRUXTON CANYON WATER CO., INC.

By 
Michael Neal

"Company"

JAMES BACUS

By 

"Developer"

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SUMMARY OF ATTACHMENTS

1. **Map and Legal Description of Development**
2. **Engineering Drawings**
3. **Construction Cost Estimate**
4. **Additional Terms and Conditions**

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ATTACHMENT 1

MAP AND LEGAL DESCRIPTION OF DEVELOPMENT

**Lot numbers 27, 28 and 34, in Valle Vista, Unit One, Tract No. 1192 in the Kingman Area,
Mohave County, Arizona.**

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ATTACHMENT 2

ENGINEERING DRAWINGS

A two page, 24" by 36", engineering drawing of the Water Plan is attached to the original Agreement. Copies of those drawings may be reviewed at the Company's offices.

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ATTACHMENT 3

CONSTRUCTION COST ESTIMATE

Water Distribution System

752 feet @ \$33.00 per foot for a total of \$24,816.00.

Total Distribution Advance

\$24,816.00

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ATTACHMENT 4

ADDITIONAL TERMS AND CONDITIONS

Check and initial if none

Company
[Signature]
Developer



FOR YOUR PROTECTION SAVE THIS COPY
OFFICIAL CHECK

Customer Copy

225969789

Arizona

05/03/2007

Remitter JIM AND RACHAEL BACUS

Pay To The
Order Of

TRUXTON CANYON WATER CO

\$ *****24,816.00 ***

Drawer: JPMORGAN CHASE BANK, N.A.

NON NEGOTIABLE

TERMS

KEEP THIS COPY FOR YOUR RECORD OF THE TRANSACTION. TO REPORT A LOSS OR FOR ANY OTHER INFORMATION ABOUT THE INSTRUMENT, CONTACT THE INSTITUTION FROM WHICH YOU RECEIVED THE INSTRUMENT.

File lot 34.

B

C-1

Truxton Canyon Water Company Inc
2409 Rocco Dr. Kingman, AZ. 86401

Re: Line extension agreement dated 4/20/07, Jim Bacus Developer

Mike,

At this time I am requesting a refund of the \$24,816.00 advance plus interest for the above referenced line extension agreement. The contract states the work would start by 4/20/07 and be completed by 8/20/07. As of 8/10/08 the work has not been started or completed. In May of this year we discussed possibly moving the deposit to another line extension, however given the current real estate market I have no development plans.

Please advise what your policy is for holding deposits like this. What type of an account is it placed in and what interest does it earn.

As you know I had planned on building my personal residence on lot 34. Given the delay my plans have changed. I no longer intend on building on lot 34. I have placed numerous phone calls to you to discuss the matter with no response. Regardless, please refund the advance payable to Jim Bacus.

Sent
8/10/08
Relester

0-2

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Grouten Canyon Water
2409 River Dr.
Kingman, Az 86401

Lot 34

COMPLETE THIS SECTION ON DELIVERY

A. Signature Olivera Galbreath ☒ Agent ☐ Addressee

B. Received by (Printed Name) Olivera Galbreath C. Date of Delivery 8-12-08

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

2. Article Number (Transfer from service label) 7007 3020 0000 4564 0398

1-3

7007 3020 0000 4564 0398

REGISTERED MAIL



7007 3020 0000 4564 0398
7007 3020 0000 4564 0398

U.S. Postal Service
CERTIFIED MAIL RECEIPT

Package	\$	Postage Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Registered Mail Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent to
 Grupton Canyon Water
 Street, Apt. No. 2419 Ricca Ave.
 or PO Box No. Kingman Az 86401
 City, State, ZIP+4

Lot 34

Sent 8/11/08

Bill Delivered
 7250 E. Lincoln Dr
 Kingman, AZ 86401
 Telephone 928 892 1147
 Fax 928 892 1115

MAIL ROOM
 7250 E. LINCOLN DR
 KINGMAN, AZ 86401
 928-892-1147

Sale

Business Service Center
 100000

Group Individual 4.40
 UPS 4.00
 USPS 4.00

Ref No 22/0711
 DEBIT

SUBTOTAL 7.80
 TAX 0.00
 TOTAL 7.80
 (E) Visa 7.80

*****5673
 Acct Code: 000000 Invoice: 000000
 Total: \$7.80

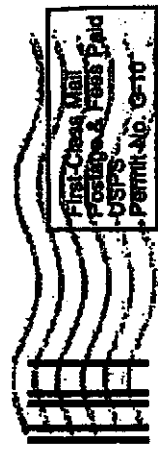
Cardholder: Name selected
 #1732 10/12/2008
 10/12/08

Merchant Code
 NO SIGNATURE REQUIRED
 10000000

Signature

 Thank you for your purchase

LAS VEGAS NV 890
UNITED STATES POSTAL SERVICE
12 JUL 83 PM 2 T



• Sender: Please print your name, address, and ZIP+4 in this box •

*Jim Bacus
7273 E. Stoneaxe Dr.
Kingman, Az 86401*

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D

Arizona Corporation Commission Consumer Inquiry and/or Complaint Form

*This form may be completed electronically, printed and mailed to:
Arizona Corporation Commission, Consumer Services Section, 1200 W. Washington St.
Phoenix, Arizona 85007*

Step 1

Before submitting a complaint to the ACC please visit this [link](#) to determine if the Commission regulates this service. If the company is regulated, please contact the company first. If you have already contacted your utility and are not satisfied with its response, please fill out this form and return the address above.

Step 2

YOUR NAME James S Bacus	DATE 8/13/09
ADDRESS, CITY, STATE AND ZIP 3755 Sunnyridge Cr. Lake Havasu City Arizona 86406	PHONE (HOME) (928) 486-4775
NAME THAT APPEARS ON THE BILL James S Bacus	ALTERNATE PHONE (DAYTIME)
NAME OF THE UTILITY COMPANY Truxton Canyon Water Co., Inc.	ACCOUNT NUMBER
E-MAIL ADDRESS jimbacus@mac.com	CHECK HERE TO CONFIRM THAT YOU HAVE ALREADY CONTACTED THE UTILITY (SEE STEP 1) <input checked="" type="checkbox"/>

Step 3

PLEASE SUMMARIZE YOUR COMPLAINT OR INQUIRY: I contracted with Truxton Canyon Water for a Line Extension the 20th of April 2007. The work was to be completed by the 20th of August 2007. The work was never started. On the eleventh of August 2008 I sent the attached letter requesting a refund. I would like to start the process to get before a judge to recover my \$24,816.00 and any applicable penalties and interest.

Step 4

Please include copies of any documentation, such as bills, that our office would need to provide a response.

COMMISSIONERS
KRISTIN K. MAYES – Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



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ERNEST G. JOHNSON
Executive Director

ARIZONA CORPORATION COMMISSION

February 8, 2010

Truxton Canyon Water Company
Mr. Marc Neal
7313 East Concho Drive, Suite B
Kingman, Arizona 86401

Re: Informal Complaint by Mr. James Bacus

Dear Mr. Neal,

On October 7, 2009, Mr. Van Cleve on behalf of Mr. Amezcua sent you a correspondence regarding an informal complaint lodge by Mr. Bacus with the Commission concerning an advance for a main extension. In that correspondence, you were requested to contact Mr. Amezcua by October 19, 2009. To date, you have failed to contact Mr. Amezcua or the Commission regarding this matter.

This informal complaint stems from a main line extension agreement ("the agreement") entered into on April 20, 2007 for \$24,816.00 between Mr. Bacus and the Company. According to Mr. Bacus, the Company was supposed to have completed the extension by August 20, 2007; however, to date, the Company has not even started the work. Mr. Bacus claims that in August 2009 he contacted the Company for a refund of the advance he provided; however, the Company refuses to refund the advance. The rules governing main extension agreements require the advances be returned, if they are not filed and approved by the Commission.

According to the Arizona Administrative Code, utilities that enter into main extension agreements are required to comply with the provisions of the code that specifically define the conditions for governing main extensions. A.A.C. R14-2-406(A). More specifically, it states that:

All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission. No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. **Where agreements for main extension are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.** A.A.C. R14-2-406(M) (*emphasis added*).

The Utility Division has no record of an agreement for this main extension being filed or approved. Pursuant to the Arizona Administrative Code, the Company is required to refund Mr. Bacus' \$24,816.00 advance. Please refund the advance to Mr. Bacus immediately or provide an explanation and evidence to the Commission, beyond the language of the agreement, as to why it believes the refund is not required.

This is the Company's last opportunity to rectify this situation. The informal complaint has been closed; once an informal complaint is closed, the customer then has the opportunity to file a formal complaint against Truxton Canyon Water Company. Mr. Bacus has indicated that he may file a formal complaint if his advance is not returned expeditiously.

Please contact Mr. Amezcua as soon as possible, so that this situation may be resolved. Mr. Amezcua can be reached at 602-542-0842 or AAmezcua@azcc.gov.

Sincerely,



Kimberly A. Ruht
Staff Counsel, Legal Division
Arizona Corporation Commission

Encl: Original Letter from Wesley Van Cleve

Cc: James S. Bacus

3755 Sunnyridge Circle

Lake Havasu, AZ 86406

Al Amezcua

Connie Walczak

Vikki Wallace

Steve Olea

Janice Alward

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COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



ERNEST G. JOHNSON
Executive Director

ARIZONA CORPORATION COMMISSION

October 7, 2009

Mr. Marc Neal
Truxton Canyon Water Company
2409 Ricca Drive
Kingman, Arizona 86401

Re: Informal Complaint

Dear Mr. Neal:

I am writing this letter on behalf of Mr. Amezcua. Mr. Amezcua has made numerous attempts to contact you regarding an informal complaint that Mr. James Bacus has lodged with the Arizona Corporation Commission on August 19, 2009. Mr. Amezcua has contacted your office over a dozen times since that date and either spoke with Laura Thode in your office regarding this complaint or left you a message. Despite these attempts you have not returned his calls.

Mr. Bacus claims to have entered into a Line Extension Agreement ("Agreement") with Truxton Canyon Water Company, Inc. ("Truxton") on April 20, 2007 for \$24,816.00. According to Mr. Bacus, Truxton was supposed to complete the work under the agreement by August 20, 2007. To date Truxton has not completed or even started the work pursuant to the agreement, and never filed the Agreement with the Utilities Division of the Commission for approval.

In August of last year Mr. Bacus contacted Truxton requesting a refund of the \$24,816.00 advance he provided pursuant to the agreement. It is my understanding that you are refusing to refund this advance based on Section E of the agreement. Under these circumstances, it would appear that you must refund this advance to Mr. Bacus. Specifically, Arizona Administrative Code R14-2-406(M) reads:

All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission. No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. Where agreements for main extension are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.

In this case, the Utilities Division has no record of approving this agreement or of Truxton ever submitting this agreement for approval. Regardless of what Section E of the agreement may indicate, it would appear that Truxton must refund the full amount of the \$24,816.00 advance that Mr. Bacus provided. Please contact Mr. Amezcua to indicate when you


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Mr. Marc Neal
October 7, 2009
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will be returning the advance that Mr. Bacus provided to Truxton or to explain why you believe that such a refund is not required.

If Mr. Amezcua does not hear from you by October 19, 2009, this informal complaint will be closed, and Mr. Bacus may file a formal complaint against Truxton.

Sincerely,



Wesley C. Van Cleve
Staff Counsel, Legal Division

WCVC:rbo

cc: James S. Bacus
3755 Sunnyridge Circle
Lake Havasu, AZ 86406
Al Amezcua
Connie Walczak
Vicki Wallace